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## REMARKS

### **I. Front Page of Office Action**

The front page of the July 5, 2006 office action indicates that claims 1-45 are pending and claims 1-45 are rejected.

### **II. Status of Claims**

Claims 1-47 are pending.

Claims 1, 23, 45, and 46 are the only independent claims.

Claims 1-45 are pending and rejected.

Claims 46-47 have been added.

### **III. Support for Claims Added and Amended**

Claims 1, 23, and 45 recite “communicate instructions how to deliver sample products to postal addresses of consumers associated with said first retailer selected CIDs and said second retailer selected CIDs.” Page 34 lines 12-14, 17-20.

Claim 46 recites “communicate instructions to a point of sale to deliver a sample product to a consumer at the point of sale during a transaction in which said point of sale detects the presence at the point of sale of one of said first retailer selected CIDs and said second retailer selected CIDs.” Page 37 lines 9-11.

Claim 47 recites “wherein said first offer and said second offer are different from one another.” Page 5 lines 12-14, page 11 lines 14-15.

All other amendments to claims are formal in nature to correct grammar and antecedent basis. No new matter has been added.

### **IV. The Rejections of Claims 1, 3-5, 7-19, 21-23, 25-27, 29-41, and 43-45 under 35 USC 102(b) as Being Anticipated by Deaton (USP 5,687,322, hereinafter “Deaton”)**

The examiner rejects claims 1, 3-5, 7-19, 21-23, 25-27, 29-41, and 43-45 under 35 USC 102(b) as being anticipated by Deaton, stating that:

Claim 1, 3-5, 7-19, 21-23, 25-27, 29-41, 43-45: Deaton discloses a computer network implemented system for implementing product sampling programs.

Deaton discloses a manufacturer providing free items, promotional items, and product samples:

"(500) Another aspect of the present invention is the generation of a random or lottery coupon. The system may be programmed to reward random customers with a particular reward. For example, every repeat customer might receive a coupon for a free turkey or six-pack of drinks by the coupon printer. Alternatively, the generation of such gifts could be randomly generated in order to provide more of a lottery atmosphere to the awards. Different types of shoppers, as determined by their shopping history, might be provided with different random prizes. Alternatively, a "grab bag" coupon may be issued which covers a group of incentives, which may be accessed in a random fashion as will be subsequently described (col 75, lines 9-21).

(562) (2) In another example, on a product level, the same widow woman might consider an offer for a free 12-oz. box of detergent very pertinent, but the housewife with five dirty teenagers might not find that product volume a sufficient incentive to change brands (col 102, lines 15-20).

(576) Once those two groups are arrived at, they may be overlaid such to incent someone who is infrequent to a department or to the store and it is desired to incent them from the retailer standpoint. For example, it may be noted that a store's customers are not buying a manufacturer's ham and the grocer says people are not frequenting his pharmacy. So by combining forces to go after a common customer, the manufacturer and the retailer can target market people who are infrequent to the pharmacy and use ham as an incentive of those who are infrequent to ham. This approach provides cost sharing between the retailer and the manufacturer, because a refined population that is infrequent to both can be targeted, costs can be shared and the incentive can be increased. For example, using the example of ham and the pharmacy, the manufacturer of ham might

agree to reduce the cost of ham and the retailer agrees to pay for the other half of the ham if the customer will come to the pharmacy. By combining forces, the customer gets a free ham, the manufacturer and store reduce costs, and the value of the incentive is heightened (col 105, lines 15-35).

(587) A store has been allowed 15,000 promotional items by the manufacturer to give away in their NOW-Coupon system. These promotional items are made up of 3,000 each of five different flavors of edible widgets. A decision is made to direct 1,000 of each flavor as Coupon "A" incentives and direct 500 of each flavor to the B, C, D, and E categories. Since less edible widgets are allotted to the primary shopper categories, a "Grab Bag" is set up for each with a random ratio to control the rate at which the coupons are dispersed. The following is the configuration for Coupon "B's".

(588) Coupon category: Coupon "B"

(589) Random ratio: 1 :5

(590) Grab Bag Coupon #1--Free Box of Edible Widgets--Grape (Issue : 500)

(591) Grab Bag Coupon #2--Free Box of Edible Widgets--Cherry (Issue : 500)

(592) Grab Bag Coupon #3--Free Box of Edible Widgets--Strawberry (Issue : 500)

(593) Grab Bag Coupon #4--Free Box of Edible Widgets--Lemon (Issue : 500)

(594) Grab Bag Coupon #5--Free Box of Edible Widgets--Orange (Issue : 500)" (col 106, lines 7-30).

Deaton further discloses the manufacturer interacting with the retailer:

"(496) The system also enables the tracking of "bargain hunter" customers.

Retail stores traditionally stock depending upon the size and amount of floor space. In grocery stores, between 30,000 and 60,000 items may be stocked at any point in time. Several hundreds of these items may be involved in some type of

promotion by the manufacturer or distributors of the product, or the store. The present system stores a shopping history or spending history of the customer to identify whether or not the customer is a "bargain hunter" and to what degree the customer is price sensitive (col 74, lines 17-29).

(572) The history of products being purchased is stored and organized into arbitrary groups by manufacturer in the present database, so that a manufacture does not take business from himself. An average buying cycle may be determined over the entire customer base. As an example, assume for this entire store or this entire region, the average consumption of a coffee product is 4 ounces per week. Although the coffee is only bought every eight weeks, the consumption rate of that coffee is 4 oz . a week. The system may store the average consumption rate for the customer base as a whole so that the store can use that as a starting point for saying that a customer is at or below this consumption rate. That says nothing about the individual household, but the average consumption rate is a starting point that says on a new customer or a new promotion for a coffee, the store has a standard to begin with. Therefore, a customer who buys 3 oz . a week should be incented (col 104, lines 15-30).

Deaton further discloses targeting the user:

"(568) Recognizing that every group of customers, and in fact, every individual customer has different valuations of an incentive, and depending on whether or not a store has the product or whether the store is short of on inventory a product, the incentive may be changed. If customer response is monitored and the customer does not respond, the incentive can be increased in successive layers until the store finally gets the desired response. This approach provides for an enormous amount of efficiency, because in the "\$2 off your next shopping visit", example, if the store provided this incentive to the 2,767 customers that are in Table 5 who shopped only twice in the last 8 weeks, it is unlikely that greater than a 15% participation would be obtained. If so, that 15% may be left at a \$2 incentive because it works for them. But the 85% that the program did not work for will need to have their incentive increased. The present system allows a store

to customize the incentive, whether it is on a shopping visit criteria, or a product group, or a department, or an individual specific product basis (col 103, lines 5-25).

(561) Anyone incentive given to a multiplicity of shoppers is evaluated differently by each individual customer. Take two examples: (1) consider an incentive that provides \$2 off on the next shopping visit, if the customer spends \$25 and do it within a week. If the customer is a widowed, single woman living on a fixed income, that \$2 might represent 10% of her weekly food budget and therefore be a pertinent valuable incentive to her. On the other hand, to a housewife who has five teenagers at home and spends \$250 a week, \$2 off may not be a sufficient incentive to modify her behavior in any significant way (col 102, lines 5-15).

(563) So, each individual incentive given to a group of people is evaluated differently by those people. Assuming several thousand people shop a store twice in the prior 8 weeks, that is hardly a homogeneous group. So, it is important to provide an incentive to those who meet an infrequent shopping history criteria, but once that incentive is made, it should be recorded in the history file of that individual shopper" (col 102, lines 20-28).

Deaton further discloses targeting the user(s) and the manufacturer providing samples/free items/promotional items/promotions and the manufacturer interacting with retailer(s) to provide targeted promotions:

"(574) So, if the store obtains the consumption rate of a product group, then the store can obtain a much more refined criteria by which to judge the individual ID or customer ID or individual household. The store or manufacturer of a product can thus structure an inducement based on the customer's consumption rate . It may be inappropriate to give the single woman an inducement 50.cent. off a 5 lb. can of Folgers when that is a two year supply for her. So, it is important to establish the consumption rate for an individual ID and or household and then set up a criteria with respect to an individual

manufacturer's product group. While a customer is consuming from this general group of products, "X" amount per week, the customer is detected as consuming very little of a particular manufacturer's product. The store can then incent that customer because he is an infrequent customer to the particular product. The incentive can be based on something that is appropriate to the customer's consumption rate. It can be an incentive on a big size if the customer is a big user, or a small size if the customer is a small user. The present system can thus determine and distribute an individualized, personalized, custom-tailored, inducement based on individualized consumption rate monitoring (col 104, lines 43-65).

(575) The groupings of products can be manipulated based on any number of variables. For example, it may be desired to manipulate a product group based on seasonality. A manufacturer, for example, might want to include hot cereals in the four winter months and exclude it from their product group in the summer months. The group of products may thus be manipulated to bring products in and out of that group based on holidays or based on any number of variables that are pertinent to the manufacturer. While the retailer may look at infrequent shoppers more from the perspective of store visits and department visits and purchases, the manufacturer looks at the shopper from the perspective of meeting an infrequent criteria with respect to their product group, arbitrary product group or a specific product (col 104, line 65-col 105, line 15).

(576) Once those two groups are arrived at, they may be overlaid such to incent someone who is infrequent to a department or to the store and it is desired to incent them from the retailer standpoint. For example, it may be noted that a store's customers are not buying a manufacturer's ham and the grocer says people are not frequenting his pharmacy. So by combining forces to go after a common customer, the manufacturer and the retailer can target market people who are infrequent to the pharmacy and use ham as an incentive of those who are infrequent to ham. This approach provides cost sharing between the retailer and the manufacturer, because a refined population that is infrequent to both can be

targeted, costs can be shared and the incentive can be increased. For example, using the example of ham and the pharmacy, the manufacturer, of ham might agree to reduce the cost of ham and the retailer agrees to pay for the other half of the ham if the customer will come to the pharmacy. By combining forces, the customer gets a free ham, the manufacturer and store reduce costs, and the value of the incentive is heightened (col 105, lines 15-32).

(587) A store has been allowed 15,000 promotional items by the manufacturer to give away in their NOW-Coupon system. These promotional items are made up of 3,000 each of five different flavors of edible widgets. A decision is made to direct 1,000 of each flavor as Coupon "A" incentives and direct 500 of each flavor to the B, C, D, and E categories. Since less edible widgets are allotted to the primary shopper categories, a "Grab Bag" is set up for each with a random ratio to control the rate at which the coupons are dispersed. The following is the configuration for Coupon "B's" .

(588) Coupon category: Coupon "B"

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(590) Grab Bag Coupon #1--Free Box of Edible Widgets--Grape (Issue : 500)

(591) Grab Bag Coupon #2--Free Box of Edible Widgets--Cherry (Issue : 500)

(592) Grab Bag Coupon #3--Free Box of Edible Widgets--Strawberry (Issue: 500) (col 106, lines 8-25)

(651) The following provides additional information on how the present system enables targeted marketing to households which are infrequent shoppers of a particular product group. Assume a manufacturer of five varieties of chocolate chip cookies (BRAND A) wants to target marketing at households who historically demonstrate an infrequency to their product group. The following parameters are set in a group of grocery stores utilizing the present invention (col 113, lines 20-30);



(652) Householding is activated linking the various accounts of various payment instruments within a single household based on the household's telephone number ().

(653) Historical shopping history is transferred between stores to ensure purchases at all locations is merged.

(654) The consumption of the following products are tracked in order to arrive at an average rate of consumption of bakery type snack products (PRODUCT TYPE):

(655) 1 . Manufacturer's own product group.

(656) 2 . Other manufacturer's chocolate chip cookies (BRANDS B, C, and D)

(657) UPC's and product sizes in ounces are stored in the Bar Code Tracking Table (BCTT)" (col 113, lines 30-45). [Office action mailed July 5, 2006 page 2 line 13 through page 10 line 15.]

**A. What Deaton Admittedly Fails to Disclose, as Admitted by the Examiner**

“Deaton does not explicitly disclose the manufacturer or retailer making counteroffers.” [Office action mailed July 5, 2006 page 11 lines 3-4.]

“Deaton does not explicitly disclose generating print files for printing delivery paperwork.” [Office action mailed July 5, 2006 page 11 line 14-15.]

**B. What Deaton Discloses**

Deaton discloses “improv[ing] a store's marketing and other customer relations programs by collecting transactional data for that store, both current and historical, that can be used to identify new or infrequent customers, develop customer profiles and to perform targeted marketing.” Column 4 lines 57-61. Moreover, “targeted marketing will also be provided by the system based upon the types of products bought by the purchaser or the departments in the store from which the products were bought.” Column 101 lines 43-45.

Deaton discloses operating at both the individual and multiple store level. “The system develops and maintains a local customer database, allowing the store to accumulate customer

information relevant to the store's customers over and above that information necessary for credit verification.” Column 6 lines 57-60. “The system operates at an individual store, and maintains at that store a local customer database of customer records, each identified by the corresponding customer identification number.” Column 5 lines 3-6. “In the case of a multiple store business, each store has a local transaction processing system, with one of the systems being designated a host site and the rest being designated remote sites.” Column 6 lines 24-27.

Deaton discloses presenting the consumer with coupons for free products. “Thus, at the point-of-sale, coupons or other incentives may be generated which are specifically targeted to a specific customer based upon his prior history. Alternatively, coupons may be later mailed to selected customer.” Column 7 lines 33-37.

## **V. The Applicant's Response to the Rejections**

### **A. What Deaton Fails to Disclose or Suggest that is Defined in Independent Claims 1, 23, 45, and 46**

Deaton does not disclose providing a product sample. The subject application discloses providing to a consumer a product sample. For example, the subject application discloses mailing product samples to the consumer’s postal address or providing the product sample to the consumer at the point of sale. Providing a consumer a free sample is not the same thing as providing a consumer a coupon for a free product. Deaton's coupon requires the consumer to act to redeem the coupon to get a product at reduces or no cost. Providing a product sample to a consumer requires no action on the part of the consumer. Thus, Deaton's coupons are conceptually different from the claimed product sampling.

In contrast to Deaton, claims 1, 23, 45, and 46 define "A computer network implemented system [or method or program product] for implementing product sampling programs..." and the system or method designed to "communicate instructions how to deliver sample products to ... consumers." Deaton does not disclose or suggest those limitations.

Moreover, Deaton does not clearly disclose using a central computer system/local computer system architecture and related method of determining CIDs at the central computer system that meet criteria.

In contrast, independent claims 1, 23, 45, and 46 define "wherein said central computer system is programmed to: [determine CIDs to which to assign product samples]..."

In further contrast, independent claims 1, 23, 45, and 46 define the central computer system is programmed to "determine, based at least in part on manufacturer promotional sample product criteria data, first offer data constituting a first offer for a first retailer to participate in a sampling program." Nothing in Deaton corresponds to a central computer determining offer data specific to retailers to participate in a product sampling program. In addition, since Deaton contains no recognition of multiple retailer marketing, it also does not disclose or suggest the "second offer data constituting a second offer for a second retailer..." limitations defined by all of the independent claims.

In further contrast, independent claims 1, 23, 45, and 46 define the central computer system is programmed to select CIDs "having data associated with them that satisfy consumer profile criteria data, wherein said consumer profile criteria are based at least in part upon said manufacturer promotional sample product criteria data...." That is, Deaton does not disclose use of manufacturer promotional sample product criteria in determining which consumers should get anything; coupons or free products. Nothing in Deaton corresponds to this concept.

Furthermore, claims 1, 23, and 45, as amended, recite "communicate instructions how to deliver sample products to postal addresses of consumers associated with said first retailer selected CIDs and said second retailer selected CIDs." Deaton does not disclose communicating instructions for deliver of sample products. Therefore, Deaton cannot suggest communicating instructions for delivery of product samples to postal addresses of consumers. For this additional reason, Deaton does not disclose or suggest claims 1, 23, and 45.

Furthermore, new claim 46 recites "communicate instructions to a point of sale to deliver a sample product to a consumer at the point of sale during a transaction in which said point of sale detects the presence at the point of sale of one of said first retailer selected CIDs and said second retailer selected CIDs." Deaton does not disclose communicating instructions to a point of sale for deliver of a sample product to a consumer at the point of sale during a transaction involving the consumer associated with the CID. Again, all Deaton discloses is delivering coupons. For this additional reason, Deaton does not disclose or suggest claim 46.

**B. Dependent Claims 2, 6, 24, and 28**

Deaton does not disclose the manufacturer or retailer making counteroffers, as admitted by the examiner. These claims define limitations related to counteroffers. Therefore, they are non obvious in view of Deaton.

The examiner asserts that:

However, Deaton discloses the manufacturer and retailer interacting and communicating in providing targeted promotions to the user. Deaton further discloses the manufacturer providing promotions based on retailer data or vice versa. Also, Deaton discloses the manufacturer and retailer communicating on providing promotions individually or together or in collaboration (see above). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made that negotiations/communications/offers/counteroffers can occur between the manufacturer and retailer. One would have been motivated to do this in order to provide a way for the manufacturer and retailer to better communicate in the providing of manufacturer and/or retailer targeted promotions to the user(s).

[Office action mailed July 5, 2006 page 11 lines 3-13.]

In response, the applicant points out that the examiner is both applying sloppy reasoning and improper hindsight in these assertions. Nothing in Deaton discloses a "computer network implemented system ... wherein said central computer system is programmed to: ... transmit said first offer data to a first retailer computer system" much less receive counter offers therefrom. In contrast, claim 2 recites "central computer system is further programmed to: receive from said first retailer computer system first retailer offer response data indicating whether a first retailer has accepted, rejected, or counter offered said first offer." Accordingly, the rejections of dependent claims 2, 6, 24, and 28 are improper for these additional reasons.

**C. Dependent Claims 20 and 42**

Deaton does not disclose generating print files for printing delivery paperwork, as admitted by the examiner. Since Deaton does not disclose providing a product sample, Deaton

does not disclose delivering a product sample or printing delivery paperwork for product samples. These claims define limitations related to such delivery paperwork. Therefore, they are non obvious in view of Deaton.

The examiner argues that:

In regards to claim 20 and 42, Deaton does not explicitly disclose generating print files for printing delivery paperwork. However, Deaton discloses a printer (Fig . 21) and inventory records (col 103, lines 5-25). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made that Deaton can print records or other information. One would have been motivated to do this in order to have a form of information presentation that is good for reviewing or analyzing. [Office action mailed July 5, 2006 page 11 lines 14-19.]

The examiner is correct that Deaton does not disclose printing files; Deaton discloses printing coupons. Coupons are clearly not the claimed "delivery paperwork", and the examiner has not suggested that coupons correspond to delivery paper work. Deaton does not disclose printing *anything other than coupons* when delivering coupons to a consumer. Accordingly, Deaton provides no teaching suggesting printing when delivering anything to a consumer. Accordingly, there is no factual basis to support the examiner's conclusion.

Moreover, this application clearly defines delivery paperwork as not a coupon and as papers associated with delivering a product sample, stating (in the published version of the specification):

[0172] In step 603, the central computer system 4 *generates postal sorts and/or associated delivery paperwork*, dependent upon the fulfillment criteria.

Alternatively, at step 603 or any one of steps 604 and 605, the central computer 4 may transmit consumer records containing information necessary to transmit samples to addresses associated with the CIDs to a computer (not shown) of a fulfillment house, in which case the fulfillment house's computer and equipment

perform step 603 and the following steps. \*\*\*

[0192] In step 10, a computer generates *postal sorts and/or associated delivery paperwork*. \*\*\*

[0194] In step 12, a computer system prints *delivery paperwork to one or more printers at product sample distribution center(s)*. \*\*\*

[0195] In step 13, automated machinery or personal at sample distribution center(s) *insert or affix printed delivery paperwork and samples to product sample packages*.

Accordingly, there is no basis for the examiner's legal conclusion.

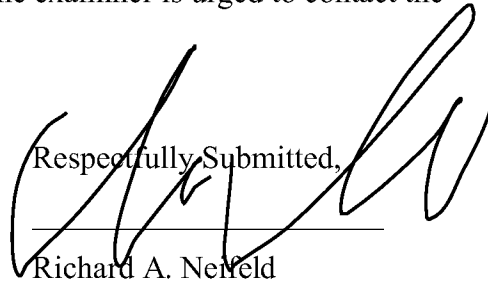
**D. The Examiner has not Addressed Any Limitations of Claims 3-5, 7-19, 21-22, 25-27, 29-41, and 43-44, and Therefore No Prima Facie Case of Obviousness Exists For These Claims**

The examiner (or the Board, if the Board is the first body to raise a particular ground for rejection) "bears the initial burden . . . of presenting a prima facie case of unpatentability." *In re Oetiker*, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). The examiner has not met the burden for showing a prima facie case of anticipation by Deaton of claims 1, 3-5, 7-19, 21-23, 25-27, 29-41, and 43-45. This is because the examiner has not correlated teaching in Deaton to the limitations of these claims. Therefore, the rejections of claims 1, 3-5, 7-19, 21-23, 25-27, 29-41, and 43-45 are improper and should be withdrawn.

VI. **Closure**

Should the examiner have any questions, the examiner is urged to contact the undersigned at 703-415-0012.

10/5/06  
DATE

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Attorney of Record

BTM/ran

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